

French auto industry prepares assault on jobs, working conditions

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French automobile sales in 2012 registered their worst year since 1997. New car sales fell by 14 percent overall, with French carmakers Renault and PSA Peugeot-Citroën suffering the worst, with a drop of 22 percent and 17.5 percent respectively.

Already PSA intends to lay off 11,000 workers nationally and close the Aulnay-sous-Bois plant near Paris—employing 3,500, costing 10,000 jobs indirectly. Auto job cuts in 2013 threaten the 10 percent of France’s workforce employed, directly or indirectly, in the industry.

French unions are working with employers to “reform” the labour market and boost French companies’ competitiveness, imitating American trade unions. The Socialist Party (PS) government wants to reach a deal on “flexi-security” by mid-January, so employers can lay off workers and cut wages during periods of reduced activity. The government and the Medef employers’ federation want to eliminate long-term employment contracts, which give a minimum of job security, replacing them with short-term contracts allowing employers to hire and fire employees at will.

The unions have no principled objections to “flexi-security”, but are proposing to tax employers who resort too often to temp workers and short-term contracts, which presently cover fully 75 percent of all new hires. Medef negotiators have signaled their opposition to a tax on short-term contracts, which is currently holding up an agreement with the unions.

In practice, the unions have already capitulated to PSA’s demand for flexibility at its Sevelnord plant in northern France, which is now a benchmark for employers. Sevelnord employs 2,700 workers in a region devastated by unemployment. In total, PSA intends to cut more workers close to retirement age. Its French workforce is planned to fall from the present

67,112 to 55,989 by mid-2014.

In line with the PS’ policy of “reindustrialization” of France, the PSA unions signed a 5-year “competitiveness agreement” for Sevelnord last July, freezing wages and cutting rest days.

The agreement was supposed to guarantee production of a new K-Zero utility vehicle at Sevelnord, instead of Vigo in Spain. The unions signed the agreement, intended as a template for imposing GM-style conditions on all auto workers. Although the CGT union (General Confederation of Labour) criticized the agreement as “blackmail” and refused to sign, it was the CGT’s acceptance of the closure of the Aulnay plant which facilitated the agreement.

At the time, Aulnay union representative Jean-Pierre Mercier, a CGT member and spokesman of the petty-bourgeois “left” party Lutte Ouvrière (LO, Workers Struggle), said: “Me, I’ll never accept to negotiate the layoff of a worker.....But if we are really obliged to sell our skin, then we’ll sell it for the highest price possible, with guarantees for redeployment, training, and decent severance payments.”

The CGT, aided by LO, is attempting to repeat its treacherous policy at Continental Tires Clairoux in 2009, where it wore down worker resistance and isolated the struggle against the factory closure in exchange for severance payments.

Sales of light utility vehicles fell by 10.4 percent and that of trucks by 8.4 percent – a sure sign of the contraction of the French and European economy. According to industry forecasts, French automobile production accounted for only 3 percent of world production, while Germany produced 10 percent in 2011.

Last March Fiat boss Sergio Marchionne, the President of the Association of European Automobile

Manufacturers, laid out the constructors' intentions to cut manufacturing capacity in Europe by 20 percent. He told the European Commission it was necessary to "make the labour market more flexible to allow more productivity. We must rapidly launch this process of adjustment. And start again from zero from a healthy base."

European car makers are taking their cue from the US automobile giants, which have closed 18 plants and fired 35,000 workers since 2007, reducing wage rates for new hires by 50 percent. In this they were aided by the United Auto Workers union, which has taken a financial stake in General Motors. The GM-Opel plant in Bochum, Germany is now slated for closure by 2016, costing 3,000 jobs, the first such closure in Germany since World War II.

Carmaker Renault—which employs 56,000 workers and in which the French government has a 15 percent share—says it will keep its French factories open if it obtains concessions on labour costs in 2013.

The CGT presented an alternative plan B last month for securing the future of the PSA Citroën car company, whilst accepting mass layoffs. The plan is based on the Secafi consultants' report into PSA's economic viability commissioned by the union.

Bruno Lemerle, the CGT spokesman at the PSA-Sochaux plant, claimed the mass layoffs are "a financial plan, not an industrial plan. It is dangerous, because it [financially] burdens the capacity of the corporation to react to the return of [industrial] activity expected for 2016 or just after." Such claims amount to telling workers to put their hopes in a hypothetical upturn of the crisis-ridden capitalist economy, which is years away to boot.

Workers should reject with contempt the so-called Plan B, which consciously confuses the company's needs with those of the workers. This anti-working class outlook is the same as that of the UAW at GM in Detroit, with whom Lemerle recently consulted.

A similar capitulation has come from the CFDT (French Democratic Labour Confederation) union at PSA. The CFDT proposes cutting weekly working hours to 32 (with corresponding wage cuts), in order to integrate redeployed workers after the closure of Aulnay.

In the face of PSA intransigence in carrying through a vast GM-type restructuring, the CFDT echoed the

CGT's pleas: "The responsibility of shareholders whose financial policy is leading to a greater downgrading of PSA's health and reducing its margin for maneuvermust assume their responsibility and put their hands in their pockets."

These remarks only underline the unions' bankrupt pro-business mentality. Workers not only have to combat the employers and the PS government, but also the unions, which are deliberately working with the PS government to render French capitalism competitive at the expense of jobs and working conditions.



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